

1 **THE REGULAR MEETING**
2 **OF THE**
3 **BOARD OF DIRECTORS**
4 **TRABUCO CANYON WATER DISTRICT**
5 **DECEMBER 15, 2010**

6 The Regular Meeting of the Board of Directors of the Trabuco Canyon Water District
7 (TCWD) was called to order by President Mike Safranski at 7:00 p.m. at Trabuco Canyon Water
8 District's office located at 32003 Dove Canyon Drive, Trabuco Canyon, California. Teresa
9 Teichman, Secretary to the Board of Directors, recorded and transcribed the minutes thereof.

10 **DIRECTORS PRESENT**

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12 Mike Safranski, President
13 Ed Mandich, Vice President
14 Jim Haselton, Director
15 Glenn Acosta, Director
16 Matt Disston, Director

17 **STAFF PRESENT**

18 Don Chadd, General Manager
19 Hector Ruiz, District Engineer
20 Teresa Teichman, Secretary to the Board of Directors
21 Michael Perea, Special Projects Manager

22 **PUBLIC PRESENT**

23 There were several members of the public present

24 **PLEDGE OF ALLEGIANCE**

25 Mr. Matt Disston, Director, led the Board and staff in the pledge of allegiance.

26 **VISITOR COMMENTS**

27 There were five members of the Public who filled out speaker cards to address Item 1F.

28 **ORAL COMMUNICATION**

1 There were no additional oral comments at this time.

2 **DIRECTOR'S COMMENTS**

3 Mr. Matt Disston provided an update relating to SOCWA.

4 **REPORT FROM THE GENERAL MANAGER**

5
6 There were no comments from the General Manager

7 **ITEMS TOO LATE TO BE AGENDIZED**

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9 There were no items too late to be agendized.

10 **CONSENT CALENDAR**

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12 President Safranski announced that all matters under the Consent Calendar would be
13 approved by one motion unless a Board Member requests a separate action on a specific item.

14 **ACTION CALENDAR**

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16 President Safranski stated that the General Manager and staff had reviewed all matters
17 under the Action Calendar prior to the Board's consideration.

18 **MOTION:** A motion was made by Director Disston and seconded by Director
19 Haselton to approve the Consent Calendar, Item Nos. 1A through 1E. The
20 motion carried 5-0.

21 **ADMINISTRATIVE MATTERS**

22
23 **ITEM NO. 1F DISCUSSION AND ACTION(S) RELATING TO AMENDING
24 WATER RATES**

25 Mr. Don Chadd, General Manager, provided a power point presentation which provided
26 an overview of the function and relationship of TCWD, Municipal Water District of Orange
27 County (MWDOC) and Metropolitan Water District (MET). The presentation also provided
28 information relating to MET's rate history and the causes of MET's rate increases along with

1 TCWD's efforts to absorb, contain and control costs. Mr. Chadd emphasized the cost of
2 delivering water up to TCWD's service elevation and explained the electrical component is a
3 large portion of the cost of water. Mr. Chadd provided comparisons of the highest elevations in
4 neighboring districts which are slightly higher than TCWD's lowest service area.

5 President Safranski opened the Public Hearing and provided each member of the public
6 who had completed a speaker card, an opportunity to speak to the issue. There were five
7 residents who addressed the Board with their concerns relating to TCWD's proposed rate
8 increase during these difficult economic times.

9 Mr. Ray Chandos, a district customer, presented a box containing protest letters.
10 Mr. Chadd recommended continuing with the agenda while staff tabulates the number of
11 protests letters received.

12 President Safranski asked the audience if there was anyone else who wished to speak at
13 this time, there was not. President Safranski declared the Public Hearing closed and deferred
14 item 1F to later in the agenda while staff tabulates the Protest Letters. President Safranski
15 directed staff to proceed with the agenda schedule and to advise him when the count is complete
16 so that he may return to item 1F and announce the results to the public.

17 **ITEM NO. 1G STATUS UPDATE RELATING TO WATER MONITORING AND**
18 **WATER CONSERVATION EFFORTS**

19 Mr. Chadd reviewed the graphs and data provided by MWDOC as of 11/17/10,
20 along with review of each of the Directors personal water consumption.

21 Mr. Chadd complimented Mr. Hector Ruiz, District Engineer and Mr. Michael Perea,
22 Special Projects Manager, on their collaborative efforts in preparing submittals for consideration
23 of Proposition 84 funding for the Shadow Rock Detention Facility Basin. Mr. Chadd
24 commented there is approximately 75 – 100 acre feet of water currently going down the drain
25 that can be captured and sent to Dove Lake to be recycled once this project is complete.
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1 **ITEM NO. 1H** **RECEIVE INFORMATION RELATING TO INDEPENDENT**
2 **SPECIL DISTRICT OF ORANGE COUNTY (ISDOC) SELECTION**
3 **COMMITTEE MEETING AND TAKE ACTION AS DEEMED**
4 **APPROPRIATE**

5 Mr. Chadd stated this matter is a Board issue, not a staff issue. Mr. Chadd reviewed the
6 LAFCO structure and advised this vacancy is the result of the November 2, 2010 elections. Mr.
7 Chadd advised nominations must be received by LAFCO by January 14, 2011. Discussion
8 occurred among the Directors. There was unanimous consensus regarding Mr. Wilson's ability,
9 dedication, experience, and respect from fellow committee members.

10 **MOTION:** A motion was made by Director Acosta and seconded by Director
11 Haselton to support Mr. Charlie Wilson for the regular Special District
12 Seat at the time of the January 27, 2011 Special District Selection
13 Committee meeting. The motion carried 5- 0.

14 **ENGINEERING MATTERS**

15 **ITEM NO. 1I** **STATUS UPDATE AND POSSIBLE ACTION RELATING TO EL**
16 **TORO SEWER LIFT STATION**

17 Mr. Ruiz provided a status update to the Board along with discussion relating to the
18 existing agreements and proposed amendments between TCWD, IRWD, and SMWD.

19 Mr. Ruiz spoke to the recent odor issue within the SMWD service area related to this
20 sewer lift station and will continue to work with the other water agencies for the best solution.

21 The Board received and filed the status update.

22 **ITEM NO. 1J** **STATUS UPDATE RELATING TO BAKER WATER**
23 **TREATMENT FACILITY (WTP)**

24 Mr. Hector Ruiz, District Engineer, advised the Baker WTP Committee which was
25 scheduled to meet on December 9, 2010 was cancelled.

26 Mr. Ruiz advised the preliminary design is now 60% complete and that all Baker WTP
27 committee members have a copy to review and submit comments by mid December. Mr. Ruiz
28 advised final design is scheduled to be complete by March, 2011.

1 Mr. Ruiz advised MWDOC will be presenting updated Baker WTP information to MET
2 at the time of their January 2011 Board of Directors Meeting with possible action to occur by
3 MET in February, 2011.

4 The Board received and filed the status update. No action required

5 **ITEM NO. 1K STATUS UPDATE AND POSSIBLE ACTION RELATING TO**
6 **ROSE CANYON AND LANG WELLS GROUNDWATER**
7 **TREATMENT FACILITY**

8 Mr. Ruiz advised the project is more than 90% complete. Mr. Ruiz advised he is working
9 with Southern California Edison (SCE) to coordinate the delivery schedule of the transformer to
10 the Wells site. Mr. Ruiz advised once the transformer is in place the facility will be ready for
11 start up and testing of the electrical and mechanical components. Mr. Ruiz reminded the Board
12 more rain water will be needed in the aquifer in order to perform specific tests on the wells.

13 Mr. Ruiz stated all claims submittals are on track and proceeding smoothly.

14 Mr. Ruiz reminded the Board that R.C. Foster's substantial completion date of November
15 15, 2010 has been pushed back due to weather conditions and change orders. Mr. Ruiz requested
16 the Board consider extending the contract completion date to December 31, 2010 as requested by
17 R.C. Foster. The extension is in response to delays by TCWD in permitting R.C. Foster to
18 connect to TCWD's pipelines due to system water demands. Mr. Ruiz advised this extension
19 will not have any financial impact to the District and that this extension has been discussed with
20 the Department of Public Health (DPH) and will not affect any portion of the State Revolving
21 Fund Loan terms.

22 Mr. Ruiz discussed proposed change orders with the Board. The net effect of the
23 proposed ten (10) change orders is a credit to the District of over \$18,000.00. Total change
24 orders to date remain under one percent. Mr. Ruiz advised all proposed change orders have been
25 discussed informally with DPH.
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1 Mr. Ruiz discussed information relating to the requirement by DPH of the Watershed
2 Sanitary Survey for the Wells Upgrade Project and advised he has requested written
3 confirmation from DPH of this requirement.

4 President Safranski complimented Mr. Ruiz on the management of this project and the
5 fact that change orders remain under 1 percent.

6 **MOTION:** A motion was made by Director Disston and seconded by Vice President
7 Mandich to extend the substantial completion date by R.C. Foster to
8 December 31, 2010 and to approve the change orders as presented,
numbers 8 - 18. The motion carried 5- 0.

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10 **ITEM NO. 1F DISCUSSION AND ACTION(S) RELATING TO AMENDING**
(continued) WATER RATES

11 Mrs. Teresa Teichman, Secretary to the Board of Directors, advised President Safranski
12 she is ready to certify the number of protest letters received. President Safranski directed staff
13 and Board members back to item 1F and requested the count from Mrs. Teichman. Mrs.
14 Teichman stated there are 251 protest letters received at the time of the Public Hearing. Mrs.
15 Teichman clarified the letters have not been qualified, only counted.

16
17 President Safranski declared the proposed revised water rates have not been protested by
18 a majority of the customers of record of District customers billing accounts within the District's
19 service area and the proposed rate could be considered by the Board.

20 President Safranski thanked each member of the public for their participation and
21 acknowledged their concerns. Each Director addressed the public and expressed that concerns
22 shared at tonight's meeting are duly noted. Each Director committed to continue their
23 responsibility of stewardship of the District's resource and to remain vigil in TCWD's battle with
24 MWDOC regarding their budget and the cost of water from MET.

25 Director Disston addressed the comment of this increase being compared to giving an
26 "open ended check" and stated that is due to the fact that this supply and cost of water is an
27 open-ended problem and TCWD has no control, except through MWDOC, as it relates to the
28 water monopoly MET coming back each year to TCWD for more money.

1 **MOTION:** A motion was made by Director Disston and seconded by Director Acosta
2 to adopt Resolution No. 2010-1142 Determining Compliance with
3 Procedural Requirements, Making Findings, Revising Water Rates and
4 Amending the Rate Schedules, to be effective for water service provided
5 on or after January 1, 2011. The motion carried 5- 0.

6 **LEGISLATIVE MATTERS**

7 **ITEM NO. 1L REVIEW OF LOCAL GOVERNMENTAL AND LEGISLATIVE**
8 **INFORMATIONAL ITEMS**

9 Mr. Chadd provided information to the Board from CSDA's Election and Bylaws
10 Committee related to calling for nominations – Board of Directors Region 6, Seat B. President
11 Safranski opened the discussion between Board members. No action was taken.

12 Mr. Chadd provided information to the Directors from the City of Rancho Santa
13 Margarita related to sponsorship opportunities at the City's 2010 New Year's Eve celebration.
14 No action was taken.

15 Mr. Chadd distributed to each Director a copy of TCWD's 2011 Committee and Board
16 meeting schedule.

17 **ANNUAL ORGANIZATIONAL MATTERS**

18 **ITEM NO. 1M ELECTION OF BOARD OFFICERS**

19 Mr. Chadd announced it is now time to pass the gavel to him in order to open
20 nominations for the office of President for TCWD. Director Haselton nominated President
21 Safranski for a second year. Mr. Chadd asked if there were any more nominations and there
22 were not. Mr. Chadd then closed the nominations for President and each Board member verbally
23 cast their vote resulting 5-0 in favor of President Safranski serving for a second year.

1 Mr. Mike Safranski, Board President, then opened the nominations for Vice President.
2 Director Acosta nominated Vice President Mandich for another year. President Safranski asked
3 if there were any further nominations, there were not. Each Director verbally cast their vote
4 resulting in 5-0 in favor of Vice President Mandich continuing the position for another year.

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6 **ITEM NO. 1N COMMITTEE MEMBER AND AGENCY REPRESENTATIVE**
7 **APPOINTMENTS**

8 President Safranski discussed current committee assignments and requested input from
9 each Director. All Directors choose to be on the same committees with the exception of Director
10 Glenn Acosta will now be the SOCWA alternate. The Board unanimously concurred with the
11 committee appointments.

12 **END ACTION CALENDAR**

13 **OTHER MATTERS**

14 There were no other matters discussed.

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16 **ADDITIONAL DIRECTORS' COMMENTS**

17 Director Acosta commented that he appreciates the public coming forward regarding
18 water rates and appreciates their involvement.

19 Director Haselton commented that it is important the Board continue to be constantly
20 aware of finances and hold cost down to the degree possible.

21
22 President Safranski thanked his fellow Board members in general and staff specifically
23 for the great job they do and the initiative and creativity in holding down cost wherever possible.
24 President Safranski recommended TCWD use the information and concerns shared by the public
25 at this meeting to further educate our customers as to the availability and costs of water and the
26 delivery of water, and continue to be diligent in pursuing MWDOC to represent TCWD's
27 concerns to MET.
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1 **ADDITIONAL GENERAL MANAGER COMMENTS**

2 Mr. Chadd advised the issue scheduled to be discussed in closed session does not need to
3 be discussed at this meeting as the deadline for the subject matter will not occur until January
4 2011. If the issue does not resolve itself by that time, the Board Secretary will agendize for the
5 January 19, 2011 Board meeting.
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7 **ADJOURNMENT**

8 At 9:15 p.m. President Safranski adjourned the December 15, 2010 Regular Board
9 Meeting.
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11 Respectfully Submitted,
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15 _____
16 Teresa Teichman
17 Secretary to the Board of Directors
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